

OFFICIAL STATEMENT

**BAKER VALLEY UNIFIED SCHOOL DISTRICT
SAN BERNARDINO COUNTY, CALIFORNIA**

\$1,755,000 PRINCIPAL AMOUNT

no slip

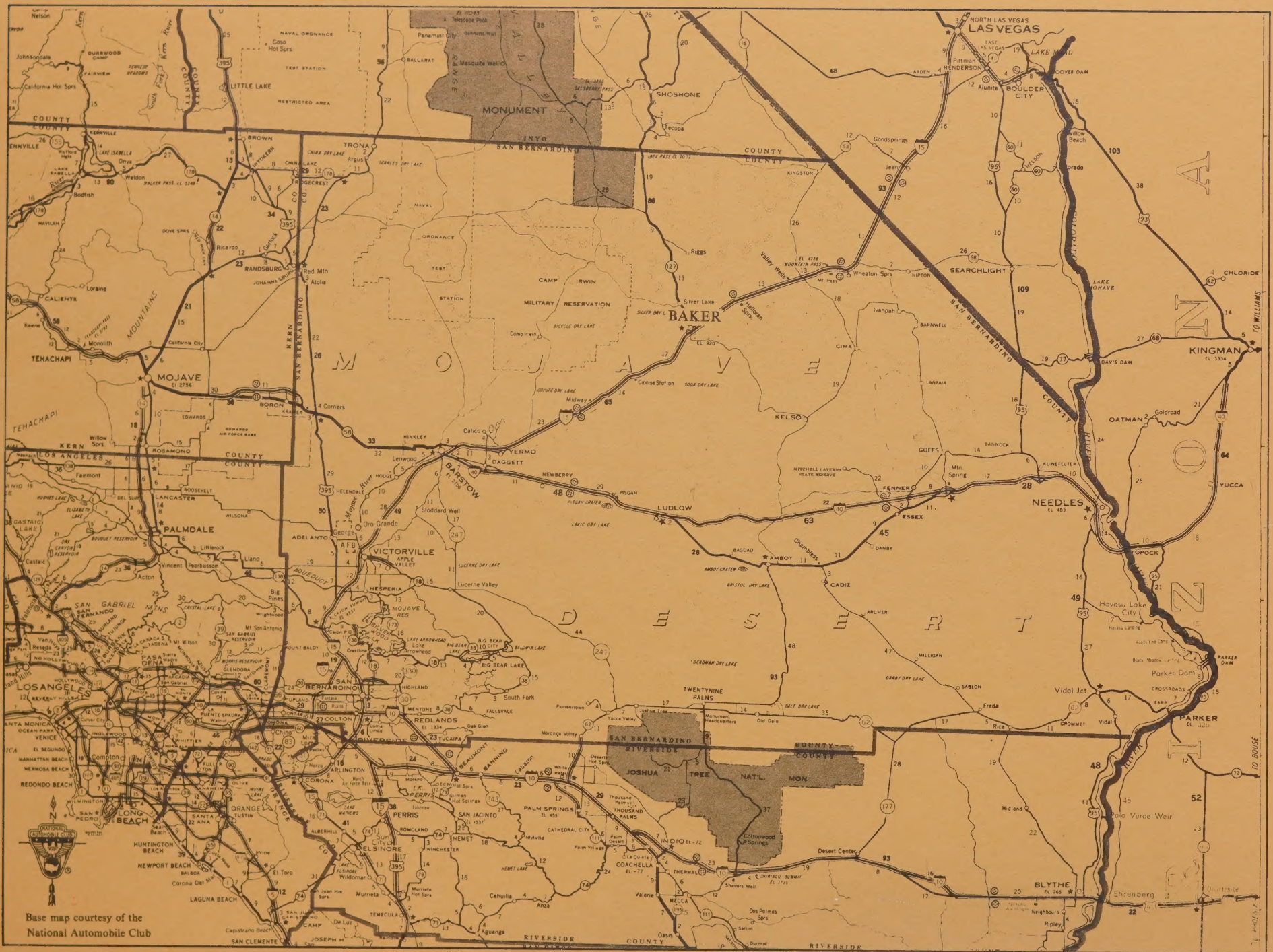
ELECTION 1977, SERIES 1 BONDS
(GENERAL OBLIGATION BONDS)

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

JAN 24 1978

UNIVERSITY OF CALIFORNIA

BIDS TO BE RECEIVED BY THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY
CIVIC BUILDING, 175 WEST FIFTH STREET, SAN BERNARDINO, CALIFORNIA 92415 AT
10:00 A.M., MONDAY, FEBRUARY 6, 1978.



Baker Valley Unified School District in relation to San Bernardino-Riverside Metropolitan Area and Las Vegas Metropolitan Area.

BAKER VALLEY UNIFIED SCHOOL DISTRICT
San Bernardino County, California

BOARD OF TRUSTEES

Richard B. Clark, President

Carolyn Jacobson, Clerk

Connie L. Chance

James F. Almer

Sylvia Cooper

DISTRICT ADMINISTRATION

Willard G. Andreasen, Superintendent of Schools

SAN BERNARDINO COUNTY, CALIFORNIA
BOARD OF SUPERVISORS

Robert O. Townsend, Chairman

Dennis Hansberger, Vice Chairman

Bob Hammock

James L. Mayfield

Joe Kamansky

SAN BERNARDINO OFFICIALS

M. Crane Kitchel, County Counsel

John H. Bulmer, Auditor-Controller

Dean Zabriskie, Deputy County Counsel

John A. Gartner, Tax Collector-Treasurer

PROFESSIONAL SERVICES

O'Melveny & Myers
Los Angeles
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc.
San Francisco and Los Angeles
Financing Consultants

THE DATE OF THIS OFFICIAL STATEMENT IS JANUARY 10, 1978

DEC 12 2024

UNIVERSITY OF CALIFORNIA

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on, and buyers of \$1,755,000 principal amount of the Election 1977, Series 1 Bonds proposed to be issued by the Baker Valley Unified School District.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Baker Valley Unified School District (which firm will receive compensation from the District contingent upon the sale and delivery of the Bonds).

The Official Statement is not to be construed as a contract with the purchasers of the Election 1977, Series 1 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel to the District, will be furnished to the successful bidder (see section entitled "Legal Opinion" herein).

The members of the Board of Trustees of the Baker Valley Unified School District have reviewed this Official Statement and have determined that as of the date hereof the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Baker Valley Unified School District will deliver to the purchaser of the Bonds a certificate as to the above, dated the date of Bond delivery and further certifying that the signatories know of no material adverse change in the condition of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds. 100 copies of the Official Statement will be supplied to the purchaser of the Bonds for this purpose.

January 10, 1978

WILLARD G. ANDREASEN
SUPERINTENDENT
BAKER VALLEY UNIFIED SCHOOL DISTRICT

CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE BONDS	2
Authority for Issuance	2
Terms of Sale	2
Description of the Bonds	2
Interest	3
Redemption Provisions	3
Payment	3
Registration	3
Legal Opinion	3
Security	3
Tax Exempt Status	4
Legality for Investment	4
No Litigation	4
Purpose of Issue	4
Proposed Property Tax Limitation Constitutional Amendment	4
Estimated Annual Bond Service	5
THE IMPROVEMENT PROGRAM	7
DISTRICT ORGANIZATION AND FINANCIAL DATA	8
Facilities and Attendance	8
Assessed Valuations	8
Tax Rates	9
Tax Levies, Collections, and Delinquencies	10
Largest Taxpayers	11
Revenue Limitations	11
General Fund Income and Expenditures	12
Lease Agreements	13
District and Estimated Overlapping Bonded Debt	13
Employer-Employee Relations	15
Pension Plans	15
ECONOMY OF THE DISTRICT	17
Population and Housing	17
Employment	18
Commercial Activity	19
Construction	19
Transportation	19
Utilities	20
Education	20
Community Facilities and Recreation	21
SAN BERNARDINO COUNTY	22
Climate	22
Population	22
Employment	23
Industry	24

CONTENTS (CONT'D)

	<u>Page</u>
Building Activity	25
Commerce	25
Transportation	26
Military & Aerospace	26
Minerals	27
Agriculture	27
Education	28

TABLES

Table 1	Estimated Bond Service Requirements	6
Table 2	1977/78 Assessed Valuation	8
Table 3	Statement of Direct and Estimated Overlapping Bonded Debt	14

INTRODUCTION

The Election 1977, Series 1 General Obligation Bonds in the principal amount of \$1,755,000 represent the first sale from an authorization of \$5,000,000 approved by Baker Valley Unified School District voters on November 8, 1977. After the sale of the proposed Election 1977, Series 1 bonds, \$3,245,000 of the original authorization will remain unsold. Proceeds from the sale of the Series 1 general obligation bonds will be used to provide a new junior-senior high school.

The Baker Valley Unified School District, located in northeastern San Bernardino County, was formed July 1, 1977, having previously been part of the Barstow Unified School District. The District provides kindergarten through twelfth grade educational services to residents of an area encompassing approximately 3,890 square miles that includes the unincorporated communities of Baker, Kelso, Cima, Mountain Pass, and surrounding areas.

The District's economy is based largely on mineral extraction and tourism. The world's largest deposit of rare earths is found at Mountain Pass, near the eastern border of the District. Moly-corp, Incorporated, owned by Union Oil Company of California, employs over 140 at this location in the processing of rare earth derivatives for use in a wide range of industrial applications. Two mills in the western part of the District process various borate ores. Due to its location on the principal highways leading to Nevada and Death Valley from Southern California the District benefits from tourist expenditures occasioned by national trends towards increased leisure time, earlier retirement, and year-round scheduling of vacations.

Baker has modern motels, restaurants, and other facilities to serve the visitor and vacationer attracted by the colorful desert areas in the District, as well as travelers who find Baker a convenient stop en route to other areas. Interstate 15, the principal highway between Los Angeles and Las Vegas, is adjacent to Baker. Silver Lake Properties has applied for a Federal housing grant of \$1,200,000 to assist in the construction of Silver Lake Village, to be located in Baker. Silver Lake Village, as planned, will have sixty 2-bedroom apartments, constructed in five 2-story buildings in a park setting. The Boise Cascade Corporation, Manufactured Products Division, is a participant in this venture, which is designed to provide permanent housing for persons employed in Baker.

The District is situated in San Bernardino County which produced over \$343,000,000 worth of farm products in 1976. Also reflecting strong industrial activity, the County Directory lists over 1,100 fabrication, manufacturing and processing firms ranging in size from less than 10 to more than 1,000 employees. The county is a major western railroad center for three transcontinental lines and includes two of the nation's largest and most modern marshalling yards.

The tax base of the District is supported by an extensive complex of utility transmission lines, microwave relay stations, a coaxial cable, railroad facilities, a liquid fuels pipeline, and a natural gas pipeline. Over 52 percent of the secured assessed valuation of \$17,563,020 is contained on the utility roll. The secured tax delinquency, of former tax rate areas which correspond in whole or in part with tax rate areas now in effect, was 1.42 percent in 1976/77 and averaged 1.85 percent over the past five years.

Upon delivery of the Election 1977, Series 1 bonds, the District's direct debt will be \$1,755,000 or 9.87 percent of assessed valuation and 2.48 percent of estimated real value. Net direct and estimated overlapping debt will be 12.72 percent and 3.20 percent of assessed valuation and estimated real value respectively.

THE BONDS

AUTHORITY FOR ISSUANCE

The \$1,755,000 principal amount of Baker Valley Unified School District Election 1977, Series 1 Bonds, now being offered for sale are general obligations of the District and will be issued under provisions of Title 1, Division 1, Part 10, Chapter 2 of the State of California Education Code, and pursuant to a resolution of the Board of Supervisors of San Bernardino County adopted on December 19, 1977.

The \$1,755,000 principal amount Election 1977, Series 1 Bonds represents the first sale of a total authorization of \$5,000,000 approved by District voters on November 8, 1977. After the sale of the Series 1 Bonds, \$3,245,000 of the \$5,000,000 authorization will remain unissued.

TERMS OF SALE

Bids will be received by the Board of Supervisors of San Bernardino County at 10:00 a.m. on Monday, February 6, 1978, at the Office of the Clerk of the Board of Supervisors, County Civic Building, 175 West Fifth Street, San Bernardino, California. The bonds will be sold pursuant to the terms of sale contained in the Official Notice Inviting Bids dated December 19, 1977.

DESCRIPTION OF THE BONDS

The \$1,755,000 principal amount of Election 1977, Series 1 Bonds, will be dated February 1, 1978. The bonds will be numbered 1 to 351, both inclusive, will be issued in the denomination of \$5,000 and will mature serially in consecutive numerical order as set forth in the following maturity schedule:

<u>Maturity Date</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>
1979	\$ 45,000
1980	50,000
1981	50,000
1982	55,000
1983	60,000
1984	60,000
1985	65,000
1986	70,000
1987	75,000
1988	80,000
1989	85,000
1990	90,000
1991	95,000
1992	100,000
1993	110,000
1994	115,000
1995	125,000
1996	135,000
1997	140,000
1998	150,000

INTEREST

Interest on the bonds at a rate not to exceed eight percent per annum is payable on February 1, 1979 and semiannually thereafter on each August 1 and February 1.

REDEMPTION PROVISIONS

Bonds maturing on or prior to February 1, 1993 are not subject to call and redemption prior to their fixed maturity dates. Bonds maturing on or after February 1, 1994 are subject to call and redemption prior to their fixed maturity dates at the option of the District as a whole or in part in inverse order of maturity and number beginning with the highest numbered bond on any interest payment date on and after February 1, 1989 at a redemption price equal to the principal amount of the bonds so called for redemption and interest thereon to date of redemption plus a premium of one-quarter of one percent of such principal amount plus one-quarter of one percent of such principal amount for each year or portion of a year between the redemption date and the maturity date of the bonds so called for redemption.

PAYMENT

Both principal and interest are payable at the Office of the San Bernardino County Treasurer-Tax Collector.

REGISTRATION

The bonds will be issued as coupon bonds, registrable only as to both principal and interest.

LEGAL OPINION

The legal opinion of O'Melveny & Myers, Los Angeles, California, bond counsel for the District, attesting to the validity of the bonds, will be supplied to the original purchasers of the bonds without charge. A copy of such legal opinion, certified by the Treasurer-Tax Collector of San Bernardino County, in whose office the original is to be filed, will be printed on each bond, without cost to the successful bidder.

The statements of law and legal conclusions set forth herein under the section titled "The Bonds" (excluding the paragraph entitled "Estimated Annual Bond Service") have been reviewed by bond counsel. Bond counsel's employment is limited to a review of the legal proceedings required for authorization of the bonds and to rendering an opinion as to the validity of the bonds and the exemption and interest on the bonds from income taxation. The opinion of bond counsel will not consider or extend to any documents, agreements, representations, offering circulars, or other material of any kind concerning the bonds not mentioned in this paragraph.

SECURITY

The bonds are general obligations of the Baker Valley Unified School District, and the Board of Supervisors of San Bernardino County has the power and is obligated to levy ad valorem taxes for payment of the Bonds and the interest thereon upon all property within the District, subject to taxation by the District (except certain personal property which is taxable at limited rates), without limitation of rate or amount.

TAX EXEMPT STATUS

In the opinion of bond counsel, interest on the bonds is exempt from all present Federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions.

LEGALITY FOR INVESTMENT

The bonds are legal investments in California for all trust funds and for funds of all insurance companies, commercial and savings banks, trust companies, and for State school funds, and are eligible as security for deposits of public monies in California.

NO LITIGATION

At the time of payment for and delivery of said Bonds, the successful bidder will be furnished with a certificate that there is no litigation pending affecting the validity of the Bonds.

In the case of Serrano v. Priest, Case No. L.A. 30398, the California Supreme Court on December 30, 1976, affirmed a Judgment of the Superior Court of Los Angeles County, entered September 3, 1974, declaring that California's system of financing its public schools violates equal-protection-of-the-laws provisions of the California Constitution.

The affirmed Judgment of the Superior Court also provides: that the Judgment is not intended to invalidate, and shall not be construed as invalidating in any way, any past acts constituting the operation of the School Financing System, that the existing School Financing System shall continue to operate for a reasonable length of time so that a constitutional system can be designed, enacted into law, and placed into operation; that any redesign of the School Financing System which provides for the elimination of unconstitutional features on a gradual basis must be such that the re-designed School Financing System will be fully constitutional no later than six years from date of entry of the Judgment, and that otherwise there will be a denial to the plaintiffs of their constitutional rights for an unreasonable length of time; and that the Trial Court is retaining jurisdiction so that any of the parties may apply for appropriate relief in the event that relevant circumstances develop, such as a failure by the legislative and executive branches to take the necessary steps to design, enact into law, and place into operation, within a reasonable time from entry of the Judgment, a fully constitutional system. The legislature has enacted Chapter 894 as an urgency measure in September 1977 in part as a response to the Serrano case. The legislation does not affect the tax rates for debt service on outstanding or currently issued bonds.

PURPOSE OF ISSUE

Proceeds from the sale of the \$1,755,000 principal amount of the Election 1977, Series 1 Bonds will be used for authorized school purposes as described in greater detail in "The Improvement Program" section of this Official Statement.

PROPOSED PROPERTY TAX LIMITATION CONSTITUTIONAL AMENDMENT

An Initiative Constitutional Amendment, commonly known as the "Jarvis Initiative", providing for, among other things, certain property tax limitations, will appear on the state-wide ballot in June 1978. The office of the Attorney General of the State of California has, in accordance with applicable law, provided to the Secretary of State of the State of California the following summary of the Jarvis Initiative:

"PROPERTY TAX LIMITATION, INITIATIVE CONSTITUTIONAL AMENDMENT.

Limits ad valorem taxes on real property to 1% of value except to pay indebtedness previously approved by voters. Establishes 1975-76 assessed valuation as base value of property for tax purposes. Limits annual increases in value. Provides for reassessment after sale, transfer, or construction. Requires 2/3 vote of Legislature to enact any change in state taxes designed to increase revenues. Prohibits imposition by state of new ad valorem, sales or transaction taxes on real property. Authorizes specified local entities to impose special taxes except ad valorem, sales and transaction taxes on real property. Financial Impact: Would result in the loss of local property tax revenues of \$7 billion to \$8 billion annually and a reduction in state costs of about \$700 million in 1978-79 and \$800 million annually thereafter."

The District can neither predict whether or not the Initiative will be approved by the voters nor can it predict whether or not the validity of the Initiative will, if thereafter challenged, be upheld, in whole or in part, by the courts. Further, the District cannot make any prediction or give any assurances as to the exact ramifications of the Initiative, if approved, upon any ad valorem assessment relating to operations of the District.

The Initiative provides that the limitation on ad valorem taxes or assessments on real property to 1% of value does not apply to ad valorem taxes or assessments to pay indebtedness previously approved by the voters. Accordingly, the District believes that if the Initiative is approved, it will not limit the District's ability to levy ad valorem assessments for the payment of the Bonds and the interest thereon.

ESTIMATED ANNUAL BOND SERVICE

Table 1 presents a schedule of estimated annual bond service for the bonds currently being offered for sale. Interest rate on the bonds is approximated at 6-1/2 percent per annum.

Table 1

BAKER VALLEY UNIFIED SCHOOL DISTRICT
ESTIMATED BOND SERVICE REQUIREMENTS
\$1,755,000 ELECTION 1977 BONDS, SERIES 1

Fiscal Year	Principal Outstanding February 1	Interest Payable August 1 (1)	Interest Payable February 1 (1)	Principal Maturing February 1	Estimated Annual Bond Service (3)
1978/79	\$1,755,000	\$	\$114,075.00	\$ 45,000	\$ 159,075
1979/80	1,710,000	55,575.00	55,575.00	50,000	161,150
1980/81	1,660,000	53,950.00	53,950.00	50,000	157,900
1981/82	1,610,000	52,325.00	52,325.00	55,000	159,650
1982/83	1,555,000	50,537.50	50,537.50	60,000	161,075
1983/84	1,495,000	48,587.50	48,587.50	60,000	157,175
1984/85	1,435,000	46,637.50	46,637.50	65,000	158,275
1985/86	1,370,000	44,525.00	44,525.00	70,000	159,050
1986/87	1,300,000	42,250.00	42,250.00	75,000	159,500
1987/88	1,225,000	39,812.50	39,812.50	80,000	159,625
1988/89	1,145,000	37,212.50	37,212.50	85,000	159,425
1989/90	1,060,000	34,450.00	34,450.00	90,000	158,900
1990/91	970,000	31,525.00	31,525.00	95,000	158,050
1991/92	875,000	28,437.50	28,437.50	100,000	156,875
1992/93	775,000	25,187.50	25,187.50	110,000	160,375
1993/94	665,000	21,612.50	21,612.50	115,000 (2)	158,225
1994/95	550,000	17,875.00	17,875.00	125,000 (2)	160,750
1995/96	425,000	13,812.50	13,812.50	135,000 (2)	162,625
1996/97	290,000	9,425.00	9,425.00	140,000 (2)	158,850
1997/98	150,000	4,875.00	4,875.00	150,000 (2)	159,750
TOTALS		\$658,612.50	\$772,687.50	\$1,755,000	\$3,186,300

(1) Interest estimated at 6-1/2 percent per annum.

(2) Callable on or after February 1, 1989. Bonds are dated February 1, 1978.

(3) Source: Stone & Youngberg Municipal Financing Consultants, Inc.

THE IMPROVEMENT PROGRAM

The Baker Valley Unified School District was formed in 1977. The permanent facilities of the District include two elementary schools. Classes for the junior and senior high school students are presently being held in three relocatable classrooms and classrooms in one of the elementary schools.

The Election 1977 Series 1 Bonds currently being offered are a part of a \$5,000,000 authorization approved by more than two-thirds of the voters at an election held in the District on November 8, 1977, and will be issued and sold for the purposes of raising money for authorized school purposes. After the sale of the proposed Election 1977, Series 1 Bonds \$3,245,000 of the original authorization will remain unsold.

Proceeds from the sale of the Election 1977 Series 1 Bonds will be used to provide a new junior-senior high school. The District states the proceeds, totaling \$1,755,000, are planned as follows:

Site Surveys	\$ 3,250
Planning Including Architect Fee	152,950
Utility Services	13,500
New Construction	1,521,800
Tests (Construction)	7,500
Inspection	30,000
Contingencies	<u>26,000</u>
Total	\$1,755,000

DISTRICT ORGANIZATION AND FINANCIAL DATA

The Baker Valley Unified School District provides kindergarten through twelfth grade educational services to residents of an area encompassing approximately 3,890 square miles that includes the unincorporated communities of Baker, Kelso, Cima, Mountain Pass, and surrounding areas. The present population of the District is estimated at 1,200 persons.

The District was formed July 1, 1977, having previously been part of the Barstow Unified School District. The District is governed by an independent Board of Education of five members who are elected at large for overlapping four-year terms. The District's affairs are administered by the Superintendent, who is appointed by the Board of Education. Mr. Willard E. Andreasen was appointed as Superintendent July 1, 1977. Mr. Andreasen has been engaged in the field of education for 26 years. He was formerly Superintendent of the Death Valley Unified School District for five years.

FACILITIES AND ATTENDANCE

District facilities include: one permanent elementary school (K-6) at Baker; one permanent elementary school (K-8) at Mountain Pass; and three relocatable structures at Baker, which house students in grades 7 through 12. The District's staff includes 1 full-time and 2 part-time administrative employees, 12 full-time and 2 part-time certificated employees, and 17 full-time and 3 part-time classified employees. The District's projected average daily attendance for the 1977/78 school year is 225.

ASSESSED VALUATIONS

The San Bernardino County Assessor assesses property for District tax purposes. The State Board of Equalization reports the 1977/78 San Bernardino County valuations average 24.7 percent of full market value, except for public utility property, which is assessed by the State at 25 percent of full value.

Under California State Law, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50 percent of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Under a recently enacted Constitutional Amendment, the California legislature can raise this exemption. Revenue estimated to be lost to each taxing entity as a result of such exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, without allowance for delinquencies. Table 2 presents the District's 1977/78 assessed valuation by tax roll, before and after these two exemptions.

Table 2
BAKER VALLEY UNIFIED SCHOOL DISTRICT
1977/78 Assessed Valuation

Tax Roll	Taxable Assessed Valuation	Homeowners Exemptions	Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Secured	\$ 8,283,695	\$27,330	\$66,595	\$ 8,377,620
Utility	9,185,400	-	-	9,185,400
Unsecured	None (1)	-	-	None (1)
Total	\$17,469,095	\$27,330	\$66,595	\$17,563,020

(1) Unsecured property will be taxed in the 1978/79 tax year.

Source: San Bernardino County Auditor-Controller.

In 1977/78 the District's assessed valuation per unit of average daily attendance is \$78,058, based on an estimated average daily attendance of 225 for the school year ending June 30, 1978.

In view of the fact that the Baker Valley Unified School District did not exist prior to July 1, 1977, there is no record of assessed valuation. To provide an indication of assessed valuation history in the area now comprising the District, Stone & Youngberg Municipal Financing Consultants, Inc. has reconciled present tax rate areas with former tax rate areas which correspond in whole or in part with tax rate areas now in effect, based on information supplied by the County Auditor-Controller. This reconciliation appears below.

RECONCILIATION OF TAX RATE AREAS

<u>Former TRA</u>	<u>New TRA</u>
Part of 5625	5501
5664	5502
Part of 5671	5503
Part of 5672	5504
5674	5505
5677	5506
5694	5507
Source: San Bernardino County Auditor-Controller.	

A five-year history of assessed valuations in the former tax rate areas, which correspond very closely to present boundaries of the District, depicts a relatively stable assessed valuation from 1972/73 through 1976/77.

PRO FORMA ASSESSED VALUATIONS (1)

Tax Roll	1972/73	1973/74	1974/75	1975/76	1976/77
Secured	\$ 3,128,620	\$ 3,544,810	\$ 5,189,005	\$ 5,596,035	\$ 6,099,765
Utility	9,489,120	9,101,350	9,878,030	10,495,710	10,317,700
Unsecured	4,620,970	3,969,570	3,036,235	3,503,010	979,485 (2)
<u>Total</u>	<u>\$17,238,710</u>	<u>\$16,615,730</u>	<u>\$18,103,270</u>	<u>\$19,594,755</u>	<u>\$17,396,950 (2)</u>

(1) Tax Rate Areas 5625, 5664, 5671, 5672, 5674, 5677, and 5694. Includes reimbursable exemptions.

(2) Tax rate area 5625 has subsequently been corrected to reflect an addition of \$3,325,610 (an "escape" correction was made to the unsecured roll of Molybdenum Corporation). Therefore 1976/77 unsecured roll has been changed to \$4,305,095 and total roll to \$20,722,560.

Source: San Bernardino County Auditor-Controller.

TAX RATES

The District's 1977/78 tax rate is \$4.3973 per \$100 assessed valuation, composed of \$3.9253 for general fund revenues, \$0.1891 elementary school (debt applicable to the former Yermo School District), \$0.1350 high school bonds (debt applicable to the former Earstow Union High School District), and the County special school rate of \$0.1479.

There are seven tax rate areas in the District. Total 1977/78 tax rates in these areas range from \$8.5083 to \$10.9139 per \$100 assessed valuation. Tax Rate Area 5501 has a 1977/78 taxable assessed valuation of \$12,026,930, or approximately 69 percent of the District's total taxable assessed valuation. The 1977/78 tax rates in this tax rate area, as presented below total \$8.5083.

TAX RATE AREA 5501 Tax Rates 1977/78	
Tax Agency	Tax Rate
County of San Bernardino	\$2.8356
Schools	5.5094
County Service Area 70	.0009
Flood Zone 6	.1624
Total	\$8.5083

Source: San Bernardino County Auditor-Controller.

TAX LEVIES, COLLECTIONS, AND DELINQUENCIES

Ad valorem taxes are collected for the District by the San Bernardino County Tax Collector at the same time and on the same rolls as county and special district taxes. Secured taxes are due on November 1 and March 1 and become delinquent on December 10 and April 10. Taxes on unsecured property are due on March 1 and become delinquent in the following fiscal year on August 31.

The District's 1977/78 secured tax levy is \$669,555. Since there is no history of tax delinquency for the District, Stone & Youngberg Municipal Financing Consultants, Inc. have compiled tax delinquency data for the corresponding former tax rate areas, as previously described. Tax collection experience in these areas is presented in the following tabulation. Over the past five years the annual rate of secured tax current delinquency has averaged 1.85 percent in the seven tax rate areas.

PRO FORMA SECURED TAX LEVIES AND COLLECTIONS (1)				
Fiscal Year	Secured Tax Levies	Amount Collected June 30	Amount Delinquent June 30	Percent Delinquent
1972/73	\$1,268,519	\$1,222,060	\$46,459	3.66%
1973/74	1,174,768	1,157,233	17,535	1.49
1974/75	1,372,931	1,354,609	18,322	1.33
1975/76	1,501,250	1,480,891	20,359	1.36
1976/77	1,546,768	1,524,763	22,005	1.42

(1) Tax Rate Areas 5625, 5664, 5671, 5672, 5674, 5677, and 5694, which correspond in whole or in part with present tax rate areas comprising the District.

Source: San Bernardino County Auditor-Controller.

MAJOR TAXPAYERS

The ten major taxpayers in the District are listed below, as identified on the March 1, 1977, County assessment rolls. The five public utilities in the list account for a combined assessed valuation of \$9,102,580, more than half the District's total 1977/78 secured assessed valuation.

Southern California Edison Co., largest single taxpayer in the District, has two 220 KV transmission lines and a 500 KV transmission line running through the southern part of the District, with sub-stations at Cima. The Coolwater Hoover 138 KV transmission line crosses the central part of the District, with sub-stations at Baker, Dunn, and Mountain Pass.

Molybdenum Corporation of America (now owned by Union Oil Company of California), second largest District taxpayer, operates a rare earth mining and milling facility at Mountain Pass. Deposits of rare earths at this location are sufficient to sustain the local operation well into the 21st century, according to Union Oil Company officials.

Calnev Pipeline Company, third largest taxpayer, operates a pipeline through the District which transports liquid fuels from Colton, California to Southern Nevada. A pumping station is located within the District.

BAKER VALLEY UNIFIED SCHOOL DISTRICT

Major Taxpayers Fiscal Year 1977/78

Taxpayer	Product or Service	Assessed Valuation
Southern California Edison Company	Public Utility	\$5,002,830
Molybdenum Corporation of America	Mining	4,755,915
Calnev Pipeline Company	Public Utility	1,996,560
Union Pacific Railroad Company	Public Utility	813,810
Pacific Telephone & Telegraph Company	Public Utility	681,450
Tenneco Oil Company	Mining	673,330
Pacific Lighting Service & Supply	Public Utility	607,930
Silver Lakes Properties, Incorporated	Land Development	331,790
So. Pacific Land Company	Land Holding	234,640
Brown, Chas. F. & Mary E. et. al.	Commercial Property	129,560

Source: San Bernardino County Assessor.

REVENUE LIMITATIONS

Since 1973/74, California school districts have operated under general purpose property tax revenue limitations established in legislation adopted in 1973. This legislation, however, does not impose a maximum property tax rate for the purpose of meeting general obligation bond service payments. The Board of Supervisors of San Bernardino County is required to levy ad valorem taxes without limit as to rate or amount to meet general obligation debt service of the District.

Since 1973/74 allowable annual tax rates to be applied to a district's assessed valuation have been derived from a statutory formula which takes into account a number of factors including adjustments for inflation, limited mandatory contributions to the Teachers' Retirement System, basic state aid, state equalization aid, changes in average daily attendance, and prior years' tax collections. The tax required to raise the general purpose monies is the District's maximum general purpose tax rate.

In 1977/78, the revenue limit per unit of average daily attendance is \$2,500, with a general fund tax rate of \$3.9253 per \$100 assessed valuation.

GENERAL FUND INCOME AND EXPENDITURES

A summary of the District's 1977/78 general fund budget, together with expenditures incurred in 1976/77 on behalf of the District, is presented below.

BAKER VALLEY UNIFIED SCHOOL DISTRICT General Fund Income and Expenditures and 1977/78 Budget		
	1976/77 Actual	1977/78 Budget
<u>Income</u>		
Adjusted Net Beginning Balance	\$ -	\$ 1,164
Federal Income	-	-
State Income	-	39,625
County Income	-	-
Local Income	-	643,375
Incoming Transfers	5,000 (1)	-
Total Available Income	\$5,000	\$684,164
<u>Expenditures</u>		
Certified Salaries	\$ -	\$264,779
Classified Salaries	192	115,892
Employee Benefits	-	86,729
Books, Supplies and Equipment Replacement	114	42,000
Contracted Services and Other Operating Expenses	2,147	62,240
Sites, Buildings, Books, Media and New Equipment	1,383	25,000
Other Outgo, Including School Building Apportionment	-	5,000
Total Expenditures	\$3,836	\$601,640
Appropriations for Contingencies	\$ -	\$ 53,000
Net Ending Balance	1,164	29,524

(1) Loan obtained from San Bernardino County for District operating expenses until District was officially formed on July 1, 1977. Loan has been repaid from contingency fund.

Source: Annual Budget Report (Form J-41), July 1, 1977 to June 30, 1978, adopted by the governing board of Baker Valley Unified School District on August 2, 1977.

As previously related, Baker Unified School District was, until July 1, 1977, a part of Barstow Unified School District. For informational purposes, a three-year summary of revenue and expenditures of the Barstow Unified School District is presented in the table on the following page.

BARSTOW UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenue and Expenditures

Fiscal Year	1974/75	1975/76	1976/77
Beginning Balance July 1	\$ 1,491,467	\$ 1,190,514	\$ 627,556
Prior year adjustments	14,678	31,326	39,897
Net Beginning Balance	\$ 1,506,145	\$ 1,221,840	\$ 667,453
Revenue	11,121,891	11,590,530	12,563,871
Total Income Available	\$12,628,036	\$12,812,370	\$13,231,324
Total Expenditures	11,437,522	12,184,814	12,433,338
Ending Balance June 30	\$ 1,190,514	\$ 627,556	\$ 797,986
Revised Budget Expenditures	\$12,066,911	\$12,497,430	\$13,137,888
Variance to Actual Expenditures	629,389	312,616	704,550

Source: Barstow Unified School District annual audit reports.

LEASE AGREEMENTS

The District has a General Fund contingent liability of \$104,166 on two bus lease-purchase agreements as follows:

<u>Lease Payments Due</u>			
1977/78	\$ 6,131.04	1981/82	\$ 16,932.50
1978/79	17,600.00	1982/83	14,485.00
1979/80	17,377.50	1983/84	14,485.00
1980/81	17,155.00		

The District has a lease agreement for two portable classrooms at the rate of \$750 per month that commenced in September 1977.

DISTRICT AND ESTIMATED OVERLAPPING BONDED DEBT

The District's general obligation bonding capacity is equal to ten percent of its assessed valuation after all exemptions except homeowners and business inventory, as adjusted by the Collier Factor. The Collier Factor is a comparison of the county's assessment level with the statewide average ratio. The factor is used to offset differences in assessment levels for intercounty school districts and conforms assessment to the statewide average assessment level for all property. The District's bonding capacity as reported by the San Bernardino County Auditor-Controller is \$1,757,140. Upon delivery of the bonds currently being offered, the District's general obligation bonded debt will be \$1,755,000. Table 3 is a statement of direct and overlapping bonded debt of the District as of February 6, 1978.

The District's share of authorized unsold bonds is as follows: San Bernardino County Service Area #70 (\$78,048); Baker Valley Unified School District (\$3,235,000). As of June 30, 1977, the District's State School Building aid repayable amounted to \$207,874.

Table 3
BAKER VALLEY UNIFIED SCHOOL DISTRICT
Statement of Direct and Estimated Overlapping Bonded Debt(1)

Estimated population	1,200	
Assessed valuation	\$17,786,410 (2)	
Estimated real value	\$70,659,090 (3)	

Public Entity	Percent Applicable	Estimated Debt Applicable
San Bernardino County Building Authorities	0.590%	\$ 78,784 (4)
San Bernardino County Free Library Authority	0.815	8,313
Barstow Community College District	11.276	112,760
Barstow Union High School District	11.276	151,662
Yermo School District	38.480	33,478
Baker Valley Unified School District	100.	1,755,000 (5)
Baker Community Services District	100.	123,000 (6)
TOTAL DIRECT AND OVERLAPPING BONDED DEBT		\$2,262,997

	Ratio To		
	Assessed Valuation	Real Value	Per Capita
Assessed valuation	-	-	\$14,822
Direct debt	9.87%	2.48%	\$ 1,462
Total net direct and estimated overlapping bonded debt	12.72%	3.20%	\$ 1,885

(1) Compiled in cooperation with California Municipal Statistics, Inc.

(2) The 1977/78 assessed valuation is before deduction of \$93,925 homeowners' and business inventory exemptions, the taxes on which are paid by the State of California. Includes unsecured valuations from tax rate areas 100% transferred from Barstow Unified (\$223,390), but does not include unsecured from tax rate areas partially transferred (\$4,312,910).

(3) State Board of Equalization reports that 1977/78 San Bernardino County Assessed Valuations averaged 24.7% of full market value. Public utility property (\$9,185,400) is assessed at 25% of full market value.

(4) Excludes share of \$801,722 San Bernardino County lease-purchase obligations (\$4,730).

(5) Includes \$1,755,000 to be sold on February 6, 1978.

(6) Excludes \$265,000 water revenue bonds.

EMPLOYER-EMPLOYEE RELATIONS

Certificated personnel of the Baker Valley Unified School District are members of the California Teachers Association and National Education Association. Classified employees may be members of Local 682, California School Employees Association.

The District has negotiated employment contracts with the above organizations for the 1977/78 school year. Administrative and confidential personnel are not covered by these contracts.

Effective July 1, 1976, provisions of the Rodda Act codified as Chapter 961 of the 1975 Statutes affects all school districts in California. In case of labor disputes, local grievance procedures may be operative (if established by contract), or both parties may agree to submit grievances to final and binding arbitration pursuant to rules adopted by the Educational Employment Relations Board, which administers the Act. The Act's provisions with respect to the rights, obligations, and unfair practices applicable to management and labor became effective April 1, 1976.

PENSION PLANS

The District participates in the State of California Teachers' Retirement System (STRS). This plan covers basically all full-time certificated employees. The District's contribution to STRS for fiscal year 1977/78 is budgeted at \$21,142.

The District also participates in the State of California Public Employees' Retirement System (PERS). This plan covers all classified personnel who are employed at least 50 percent of the workweek.

The State Teachers' Retirement System (STRS) operates under provisions of the State Education Code. The System includes California public teachers from preschool through grade fourteen and certain other employees of the public school system. There were approximately 331,200 active and inactive members and 64,800 benefit recipients at June 30, 1976. Membership is mandatory for all certificated employees meeting the eligibility requirements.

The System is financed by earnings from investments and contributions from members, school districts, and the State of California, which pays \$144,300,000 annually to the year 2002, subject to annual legislative appropriation. Members contribute 8 percent of applicable earnings, and school districts contribute a percentage of applicable member earnings, rising to a maximum of 8 percent beginning July 1, 1978.

As of June 30, 1976, the net unfunded obligation of the System was estimated to be \$7,843,527,561, based on a projection of the \$7,457,041,757 net unfunded obligation determined in the June 30, 1975 periodic actuarial valuation. According to the actuarial report, combined contribution rates of members and school districts (16 percent at July 1, 1978) are insufficient to realize adequate funding. Any revision to the existing financing structure can be accomplished only through a change in the State Teachers' Retirement Law.

Actuarial valuations of the System are based upon the entry-age-normal cost method, which is a projected benefit cost method wherein level normal cost rates (contributions) are computed sufficient to fund benefits over the entire service life of members. The Systems' financial statements are prepared on the accrual basis of accounting.

The State Teachers' Retirement System's actuary is Milliman and Robertson, Inc., of San Francisco, California; Investment Counsel for equities is B A Investment Management Company, San Francisco, California; auditor is Coopers and Lybrand, Sacramento, California.

The State Public Employees' Retirement System (PERS). This system, originally established in 1931, is governed by an eleven member Board of Administration, including the State Director of Finance. As of June 30, 1976, there were 543,436 members, of whom approximately 10 percent are classified as "safety" members (principally fire and police duties) and the balance are classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately 33 percent of the members are state personnel and the balance (67 percent) are public agency personnel. As of June 30, 1976, the System provided retirement, death and survivor benefits under 944 contracts for about 1,950 public agency employers (cities, counties, and other public agencies) with 364,116 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules. The annual contribution by the State of California for the 1975 and 1976 fiscal years, as reported by the State Controller, was \$231,057,854 and \$289,502,746, respectively. The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years. This was last done as of June 30, 1974.

Total assets of the System at June 30, 1976 were \$7,910,606,976, according to the annual report. Of this amount, reserves of \$7,862,480,565 were available for benefits. The unfunded obligation of the System was determined to be \$6,131,556,655 at June 30, 1975 (state members \$3,471,553,401, local governmental members \$2,660,003,254). The comparable amount for June 30, 1976 is not available. The amount of the respective unfunded liabilities will vary from time to time depending upon the actuarial assumptions utilized, rates of return on investments, and salary scales. The present System policy is designed to satisfy the unfunded obligation by June 30, 2000.

ECONOMY OF THE DISTRICT

Baker Valley Unified School District is located in northeastern San Bernardino County, the High Desert area of Southern California. The unincorporated community of Baker is situated at the junction of Interstate 15, most direct route between Los Angeles and Las Vegas, and State Highway 127, which leads to Death Valley. Baker is approximately 133 road miles northeast of San Bernardino 61 road miles northeast of Barstow and 92 road miles southwest of Las Vegas. Other communities in the District include Kelso, Cima, and Mountain Pass. District boundaries encompass approximately 3,890 square miles. Present District population is estimated at 1,200 persons.

The District's economy is based largely on mineral extraction and tourism. The world's largest deposit of rare earths is found at Mountain Pass, near the eastern border of the District. Molybdenum Corp., Incorporated, an affiliate of Union Oil Company of California, employs over 140 at this location in the processing of rare earth derivatives for use in a wide range of industrial applications. Two mills in the western part of the District process various borate ores. Due to its location on the principal highways leading to Nevada and Death Valley from Southern California, the District benefits from tourist expenditures occasioned by national trends towards increased leisure time, earlier retirement, and year-round scheduling of vacations. Baker has modern motels, restaurants, and other facilities to serve the visitor and vacationer attracted by the colorful desert areas in the District, as well as travelers who find Baker a convenient stop en route to other areas.

The District's tax base is supported by an extensive complex of utility transmission lines, microwave relay stations, a coaxial cable, railroad facilities, a liquid fuels pipeline, and a natural gas pipeline. A maintenance station of the California Department of Highways is located at Baker.

POPULATION AND HOUSING

During April 1975 a special census was conducted for San Bernardino County by the U. S. Bureau of the Census. The County Planning Department has compiled the information by census tract and local planning areas. Presented below are 1970 and 1975 data for Census Tract 103, an area larger than the District.

CENSUS TRACT 103, NEWBERRY-BAKER (1)		
Census Data		
	1970	1975
Population	2,615	2,695
Dwelling Units	1,046	1,085
(1) Also identified as Planning District No. 21.		
Source: San Bernardino County Planning Department.		

No Census data are available for the community of Baker or other communities in the District.

EMPLOYMENT

Except for District employees, residents of the District are principally employed in mineral extraction, mineral processing, utility operations, and tourist-oriented retail and service establishments.

Largest employer in the District is Molycorp, Inc., a unit of Union Oil Company of California. Formerly Molybdenum Corporation of America, Molycorp mines and mills rare earth ores at Mountain Pass, located 35 miles east of Baker on I-15. Studies of the ore body at this location, reputed to be the world's largest, indicate that the supply of ore is sufficient to sustain the local operation well into the 21st century. Ores found here are distinctive mineralizations known as carbonates. Rare earth metals are used as catalysts in cracking petroleum crudes, as ingredients in many types of glass, and in many space age applications. Local employment averages 140 year-round, and the local payroll approximates \$2 million annually.

The District's next largest employer is Silver Lake Properties, owner and operator of various commercial properties at Baker, including two Bun Boy restaurants, a general store, two motels, and three service stations. Eighty persons are employed in local operations. This firm also operates Bun Boy restaurants at Barstow and Victorville.

The American Borate Company, a unit of Owens-Corning Fiberglas, mills borate ores at its facility near the western boundary of the District, employing 40-50 workers. Located nearby is the grinding mill of Desert Minerals, which recently purchased this facility from Johns-Manville Company. The firm is currently awaiting permits from Federal regulatory authorities in order to resume operations, including the grinding of talc and clay ores. The new owners anticipate that 7-10 workers will be required initially, with 15-20 employed if and when full-scale operations are attained.

Pacific Telephone and Telegraph Company currently employs 26 in the Baker area. Within the District are seven microwave relay stations and a coaxial cable installation serviced and maintained by the local work force of this utility. Pacific Telephone also maintains the Turquoise underground satellite tracking station, located in the District. However, most of the maintenance workers for this installation are airlifted from Barstow.

Other leading employers in the District are Pike's Restaurant and the Charles Brown Company, which operates a general store, a mobile home park, and several service stations at Baker. Located throughout the District are a number of mining operations which represent combined employment of approximately 50 persons. These include: Standard Slag Company, which mines iron ore at a site 50 miles northeast of Baker; Vanderbilt Gold Corporation, whose Ivanpah mine produces flotation concentrates; Carrere Brothers Rock Company at Kelso; and Huntington Tile Incorporated, engaged in talc mining 19 miles northeast of Baker.

The District's principal employers are listed on page 19.

LEADING EMPLOYERS IN THE DISTRICT

Employer	Product/Service	No. of Employees
Molycorp Incorporated (Union Oil)	Rare earths	140-45
Silver Lake Properties, Incorporated	Commercial properties	80
Pikes	Commercial properties	45
American Borate Company (Owens Corning Fiberglas)	Processing of ores	40-50
Baker Valley U.S.D.	Public education	37*
Pacific Telephone Company	Communications	26
The Chas. Brown Company	Commercial properties	26
Desert Minerals	Processing of ores	15-20**

* Includes part-time employees. ** At full operation.

Source: Stone & Youngberg Municipal Financing Consultants, Inc. contact with each of the above.

COMMERCIAL ACTIVITY

Taxable sales data are not available for the Baker community area. Baker has modern motels and restaurants to cater to the growing tourist trade. Its location in the Mojave Desert is favorable, in light of the increasing public interest in desert living and desert recreation.

For many years Brown's Market, located at the intersection of Baker Boulevard and Highway 127 in Baker, has served the surrounding area. A new general store --Will's Country Store-- opened in 1977 in the immediate area.

Stuckey's, a chain of snack shops and service stations, maintains units west of Baker and near Mountain Pass, in the eastern part of the District.

CONSTRUCTION

Silver Lake Properties, already described, has applied for a Federal housing grant of \$1,200,000 to assist in the construction of Silver Lake Village, to be located in Baker adjacent to Will's Fargo Motel, also owned by this firm.

Silver Lake Village, as planned, will have sixty 2-bedroom apartments, constructed in five 2-story buildings in a park setting. The Boise Cascade Corporation, Manufactured Products Division, is a participant in this venture, which is designed to provide permanent housing for persons employed in Baker.

TRANSPORTATION

Interstate 15, the principal highway between Los Angeles and Las Vegas, bisects the District from southwest to northeast. At Baker, State Highway 127 leads north to Death Valley National Monument, and a county road runs south through Kelso to Interstate 40 (Barstow-Needles highway).

A portion of U. S. 95, joining Needles and Las Vegas, runs through the southeastern part of the District. County roads and State Highway 68 connect U. S. 95 with various communities in the District.

There is a County air strip for general aviation use at Baker. Scheduled air passenger and cargo transportation is available at McCarran International Airport in Las Vegas, 92 miles northeast of Baker on Interstate 15.

Union Pacific Railroad provides freight service in the District. Main line tracks pass through Kelso and Cima.

Greyhound Bus Lines provides interurban and regional motor transportation at Baker for passengers and freight. United Parcel Service also services the area.

UTILITIES

Southern California Edison Company and Pacific Telephone Company provide electric power and telephone service throughout the District. Although a natural gas pipeline traverses the District, there is no natural gas for local consumption. Bottled gas is available in the District.

The Baker Community Service District provides water and sewerage services to residents of the Baker community area.

EDUCATION

Following are previous school enrollments of the geographical areas which now comprise the Baker Valley Unified School District.

PUBLIC SCHOOL ENROLLMENT BAKER VALLEY AREA			
School Year	Grades K-8	Grades 9-12	Total Enrollment
1973/74	218	39	257
1974/75	197	51	248
1975/76	195	59	254
1976/77	179	59	238

Source: Barstow Unified School District

Fall 1977 enrollment for District schools was as follows: grades K-8, 159; grades 9-12, 58; total, 217. As previously noted, average daily attendance for District schools is forecast to be 225 for the school year ending June 30, 1978.

The Baker Valley Unified School District is located in the Barstow Community College District, which operates Barstow College in Barstow. This two-year institution had a total enrollment of 1,712 in the Fall of 1976, including 720 full-time students.

California State College, San Bernardino, is part of the 19-campus State University and College System. This four-year degree institution enrolled 4,065 students in the 1976/77 academic year.

COMMUNITY FACILITIES AND RECREATION

The San Bernardino County Building at Baker houses local offices of the County Sheriff, County Clerk, and the Baker Community Service District. The volunteer Fire Department, located in an adjacent building, is equipped with a pumper, a tanker, and a utility truck.

The \$300,000 Baker Community Center is located near the center of Baker.

Medical care is available at St. Rose de Lima Hospital in Henderson, south of Las Vegas, at Barstow Community Hospital, and at Needles Municipal Hospital. The Needles Hospital District levies a property tax in Tax Code Area 5507, within the District.

Chet Huffman Park in Baker has a baseball diamond and facilities for outdoor recreation.

Death Valley National Monument, reached from Baker via State Highways 127 and 190, has 75 square miles of scenic area below sea level. Elevations vary from 280 feet below sea level to 11,045 feet at Telescope Peak in the Panamint Range, bordering the Monument on the west.

Southeast of Baker, near Kelso, are 40 square miles of sand dunes know as Devil's Playground. The area is carpeted with a variety of colorful wildflowers in the spring. Nearby is the Providence Mountains State Recreation Area, which contains a geological phenomenon of stalagmites and stalactites in caves, thousands of years in the making.

SAN BERNARDINO COUNTY

San Bernardino County, covering 20,160 square miles is the largest county in the 48 contiguous states and encompasses more land area than the four states of Delaware, Massachusetts, New Jersey and Rhode Island combined. The County borders: Los Angeles and Kern Counties on the west; Arizona, Nevada and the Colorado River on the east; Inyo County on the north; and, Riverside County on the south.

The County is composed essentially of three geographical regions --valley, mountain, and desert. The Mojave Desert, in the northern and eastern portions comprises over 90 percent of the County area. The San Bernardino Mountains occupy the southwest portion. Elevations within the County range from 11,502 feet at San Geronimo Peak to 181 feet at Saratoga Springs in Death Valley.

Even though a large part of the County consists of publicly-owned land (81%), the economic base is varied. A strong agricultural complex produced over 343 million dollars worth of farm products in 1976. A number of large industries are located in the area. The County is a major western railroad center for three transcontinental lines and includes two of the nation's largest and most modern marshalling yards. The County also has one of the largest airport facilities in Southern California at Ontario. Highways within the County comprise an integral part of the state's major highway and freeway system and of the federal interstate system. Four Interstate highways traverse the County.

San Bernardino County was created on April 23, 1853. A three-member elected Board of Supervisors became the county governing body in 1855. Later the Board was expanded to five members. The County is divided into five supervisorial districts which are apportioned by population and each supervisor is elected by the voters of his own district. The Board of Supervisors is the governing body for more than 100 Board-governed special districts and improvement zones which have been formed to provide local services.

CLIMATE

Climatic conditions in San Bernardino County vary with topography. In the valley region, average high and low temperatures range from 96 and 57 degrees in July to 67 and 37 degrees in January. Annual rainfall averages 15 inches, most of it occurring during the winter months.

In the mountains, the typical four-season climate of higher elevations is found, except that extremes are moderated by the combined influence of sea breezes from the west, and warm dry desert air from the east. The desert area averages a yearly rainfall of about four inches. Average high and low temperatures vary from 98 to 59 degrees in July to 57 and 34 degrees in January.

POPULATION

The County's population increased by 35.5 percent from 1960 to 1970, almost seven percent higher than the Southern California region during the same period. San Bernardino currently ranks sixth in population among the state's 58 counties. The City of San Bernardino is the County seat and has a population exceeding 103,000. It is located 59 miles east of Los Angeles and 110 miles north-east of San Diego. Ten other cities in the County have populations over 10,000.

In January 1977 the County had 723,800 inhabitants, according to a state estimate. Largest percentage gains in population have been in the unincorporated and semi-rural areas of the County, reflecting the growing popularity of desert living in California.

The following tabulation shows population growth in the County since 1940.

SAN BERNARDINO COUNTY Population Data		
Census	Population	Percent Increase
1940	161,108	-
1950	281,642	74.8%
1960	503,591	78.8
1970	682,233	35.5
1977 (1)	723,800	6.1

(1) Estimate - California State Department of Finance, January, 1977.

Source: U. S. Census Bureau

EMPLOYMENT

Government, trade, manufacturing and services are the principal sources of jobs in the County. More than 22 percent of all employed civilians work for government agencies. Of this group, approximately three-fourths work in state and local government, with the remainder holding positions in federal service.

Trade and services have been the most rapidly expanding industry groups. While wholesale trade averages a minor part of total employment in the trade category, it supports a large wholesale distributing center in the inland area due to the County's concentration of rail transportation and agricultural and mining resources.

Retail trade jobs have been increasing as a result of new shopping centers opening in both smaller communities and the larger cities. Retail jobs account for over 84 percent of the total jobs in the trade category.

In manufacturing, durable good plants account for almost three-fourths of all factory workers. Primary metals and transportation equipment report the largest aggregate payrolls in the manufacturing sector, followed by the stone-clay-glass industries.

As of September 1976 there were 13 establishments in the County with 1,000 or more employees, and 28 which had 500 or more employees, according to state labor bulletins.

The most recent report of industry employment and payrolls for San Bernardino County covers the third quarter of 1976, as reported, by the California Department of Employment Development. The tabulation on page 24 summarizes County data. As reflected in this summary, 11,136 employers reported 205,644 employees and aggregate quarterly payrolls of \$535,395.844.

SAN BERNARDINO COUNTY
Employment and Payrolls(1)

Industry	No. of Employers (2)	No. of Employees (3)	Quarterly Wages (2)
Agriculture, Forestry	757	6,408	\$ 10,184,880
Mining Extraction	30	685	2,575,671
Contract Construction	1,181	9,257	28,871,283
Manufacturing	701	34,698	120,494,011
Transportation, Utilities	416	13,428	50,691,005
Wholesale Trade	566	7,673	21,975,513
Retail Trade	3,017	41,296	66,526,517
Finance, Insurance, Real Estate	674	7,768	17,739,603
Services	3,142	37,431	77,748,110
Federal Government	40	10,957	33,216,637
State Government	421	5,412	27,431,426
Local Government	115	30,393	77,569,147
Other	76	238	372,041
Total	11,136	205,644	\$535,395,844

(1) All gainful employment except domestic workers and self-employed individuals, third quarter 1976.

(2) Third quarter, 1976.

(3) Month of September, 1976.

Source: State Department of Employment Development.

INDUSTRY

Reflecting strong industrial activity, the San Bernardino County Industrial Directory lists over 1,100 fabricating, manufacturing, and processing firms ranging in size from less than 10 employees to more than 1,000 employees.

The County's metal industry is dominated by Kaiser Steel Corporation at Fontana, site of the largest integrated steel mill west of the Mississippi, with a rated capacity in excess of 3,400,000 tons. Four Kaiser fabricating plants and the steel mill employ between 9,000 and 9,300 people. Many related metal fabricating plants are also located in the area. There are 22 primary metal companies and 85 fabricating companies in San Bernardino County.

Transportation equipment is the next largest industry and includes manufacturers of mobile homes and trailers, fiberglass parts, truck trailers and automobile parts, and aircraft maintenance. Producers of stone, clay, and glass products account for a substantial share of industrial employment and payrolls in the County. Leaders in this category are cement and its numerous end products.

Another major industry is food processing, particularly citrus fruits in canned, frozen, and concentrated form. The largest firm in this sector is the Orange Products Division of Sunkist Growers, Inc. Located in Ontario, the firm employs over 700 people. The Lemon Products Division at Corona, Riverside County, employs 400.

Other industries contributing to increasing industrial employment in San Bernardino County are machinery, electrical equipment, printing and publishing, furniture and fixtures, and chemicals.

Other agricultural areas in the western states have been experiencing crop losses due to drought conditions. However, according to the County Agricultural Commissioner, no serious damage nor substantial reduction in yield is anticipated for San Bernardino County.

BUILDING ACTIVITY

The following tabulation summarizes building activity in San Bernardino County since 1973. Residential and non-residential building declined in 1973 and 1974 but accelerated in 1976. Total valuation in 1977 is over \$700 million for the first ten months of the year.

SAN BERNARDINO COUNTY Building Permit Valuations					
Calendar Year:	1973	1974	1975	1976	1977 (1)
VALUATION (\$000 omitted)					
Residential:					
Single Family	\$112,789	\$ 91,903	\$185,659	\$382,444	\$539,205
Multiple Dwellings	26,568	10,009	8,207	7,888	25,019
Alterations	13,922	17,537	23,201	28,511	34,352
Non-Residential:					
Commercial, New	29,342	27,449	17,669	39,681	33,861
Industrial, New	11,644	10,394	38,472	14,655	23,638
Alterations	7,459	6,881	7,031	9,244	8,878
Other	42,010	33,295	30,833	33,129	40,392
Total Valuation	<u>\$243,734</u>	<u>\$197,468</u>	<u>\$311,072</u>	<u>\$515,552</u>	<u>\$705,345</u>
NEW DWELLING UNITS					
Single Family	5,190	3,473	5,192	10,008	12,975
Multiple Dwellings	1,962	634	494	472	1,521
Total Units	<u>7,152</u>	<u>4,107</u>	<u>5,686</u>	<u>10,480</u>	<u>14,496</u>

(1) Ten months.

Source: "California Construction Trends," Security Pacific National Bank.

COMMERCE

Taxable sales in San Bernardino County were over \$2.3 billion in 1976, representing an increase of \$366 million over total taxable sales in 1975. The accompanying table presents a summary of total taxable transactions in the county since 1973.

SAN BERNARDINO COUNTY
Taxable Transactions (\$000 omitted)

	Retail Stores	Business & Personal Services	All other Outlets	All Outlets
1973	\$1,279,608	\$57,290	\$349,525	\$1,686,423
1974	1,354,669	60,928	408,244	1,823,841
1975	1,471,122	66,400	439,651	1,977,173
1976	1,726,263	75,388	541,685	2,343,336
1977 (6 months)	969,540	42,172	338,545	1,350,257

Source: California State Board of Equalization.

TRANSPORTATION

San Bernardino County is served by three transcontinental railroads--Southern Pacific, Santa Fe, and Union Pacific. Within recent years, Southern Pacific has completed two major projects in the County. A 78-mile rail link from Palmdale to Colton enables SP to bypass the Los Angeles area when freight is marked for other destinations. Extensive computerized switching operations at Bloomington have been developed into one of the world's most advanced railroad facilities. Santa Fe has completed a similar improvement program at its yards in Barstow.

Four Interstate Highways traverse San Bernardino County. Interstate 10 crosses the San Bernardino Valley in an east-west direction. Interstate 15 goes north from San Bernardino to Barstow, and then to Las Vegas, Nevada. Interstate 15E (Devore Freeway) connects these two west and north of San Bernardino, enabling Las Vegas-bound traffic out of Los Angeles to bypass San Bernardino. Interstate 40 runs easterly from Barstow into Arizona via Needles.

Nine airlines serve Ontario International Airport, including two intrastate and one commuter airline. Golden West Airline connects with major carriers at Los Angeles International Airport. Ticket counters are maintained for all major airlines in the Ontario Terminal. During 1976, the airport handled 1,434,969 passengers and 6,268,803 pounds of air cargo. Within the County are 63 airport and heliport facilities including public-owned, private and military. There are approximately 1,200 aircraft currently registered in the County.

MILITARY & AEROSPACE

Four major military installations are located in San Bernardino County while two other facilities with headquarters in adjacent counties occupy portions of the County. Norton Air Force Base, near the City of San Bernardino, employs the largest military and civilian contingent, and has an impact on the local economy exceeding \$229 million annually, according to estimates of the local Chamber of Commerce. The principal installation at Norton is the 63rd Military Airlift Wing, and the base serves as one of the three ports of air embarkation and debarkation for the Pacific theatre. George Air Force Base, near Victorville, is headquarters for the 35th Tactical Fighter Wing, providing pilot and maintenance crew training.

MINERALS

The County's leading mineral product is cement. Substantial production of limestone is used in the manufacture of cement at four plants in the County. The Mountain Pass District of the County has the largest deposit of high-grade rare earth minerals in the western hemisphere. Many deposits of both primary and secondary uranium ores have been found.

Kerr-McGee Chemical Corporation, one of the largest taxpayers in the County, is adding a new plant to its facilities in Trona for expanded production of soda ash and salt cake. Annual production of one million tons is planned to be boosted to 2,300,000 tons after completion in 1978. The cost of the expansion is estimated at \$250 million. Kerr-McGee estimates its 1977 annual payroll at \$24 million. That figure is expected to increase to \$29 million in 1978 after the new facility goes into operation.

AGRICULTURE

Commercial farm production in San Bernardino County for 1976 had a gross production value of more than \$343 million. This was an all-time high and 12 percent greater than 1975, also a record year. Nineteen commodities have an annual valuation in excess of \$1 million, as reflected in an accompanying tabulation. Milk and eggs are the leading farm products, accounting for 75 percent of total output. The County has 300 dairies and is one of the leading milk producing counties in the nation. Gross values of agricultural production for the past five years are shown below.

SAN BERNARDINO COUNTY					
Value of Agricultural Production (\$000 omitted)					
Commodity	1972	1973	1974	1975	1976
All Crops	\$ 35,391	\$ 48,836	\$ 41,850	\$ 39,976	\$ 45,324
All Poultry	43,106	79,699	73,492	73,485	85,255
Other Livestock	114,977	134,916	176,098	194,488	212,687
<u>Total</u>	<u>\$193,474</u>	<u>\$263,451</u>	<u>\$291,440</u>	<u>\$307,949</u>	<u>\$343,266</u>

Source: San Bernardino County Agricultural Commissioner.

SAN BERNARDINO COUNTY	
Million Dollar Crops in 1976	
1. Milk	\$190,040,000
2. Eggs	65,590,000
3. Cattle and Calves	18,241,000
4. Alfalfa Hay	8,948,000
5. Turkeys	8,457,000
6. Nursery Products	5,681,100
7. Chicken Fryers	5,599,000
8. Navel Oranges	4,986,000
9. Valencia Oranges	4,069,000
10. Pullets	3,690,000
11. Lemons	\$ 3,641,000
12. Grapes	1,801,000
13. Apples	1,783,000
14. Grain Hay	1,588,000
15. Grapefruit	1,588,000
16. Pasture-Permanent	1,328,000
17. Hogs and Pigs	1,104,000
18. Baby Chicks	1,059,000
19. Sudan Grass	1,051,000

Source: San Bernardino County Agricultural Commissioner.

The Marine Corps Supply Station near Barstow has the responsibility of storage, maintenance, repair, issuance and shipment of military materials to Marine Corps installations worldwide. Advantages of the base include its desert site with low humidity and rainfall and excellent transportation facilities. Another Marine Corps facility at Twenty-nine Palms covers an area of 932 miles, principally serving training functions for regular and reserve forces.

Portions of Edwards Air Force Base and the Naval Ordnance Test Station, China Lake, are located in the County. As of April, 1975, military installations in San Bernardino County had an estimated complement of approximately 16,100 military and 6,200 civilian personnel.

The Goldstone Deep Space Communication Complex, located in the Mojave Desert about 45 miles from Barstow, has the intricate task of remote control of the spacecraft used in the U.S. un-manned lunar and planetary exploration performed by the Deep Space Network (DSN). The DSN is the only facility in the Free World especially designed to control and collect data from spacecraft traveling many millions of miles from Earth, and is operated for NASA under the direction of the Jet Propulsion Laboratory. Goldstone employs 458 people.

EDUCATION

Public education in San Bernardino County is administered by 19 elementary school districts, two high school districts, 13 unified (K-12) school districts, and four community college districts. Enrollment in the elementary grades has stabilized in recent years. However, enrollment in the secondary grades has increased, as shown in the following five-year summary.

SAN BERNARDINO COUNTY Total Enrollment in Public Schools					
Grades K-14	1972	1973	1974	1975	1976
Elementary (K-8)	116,388	113,616	111,339	111,146	111,599
Secondary	66,207	66,444	69,296	71,466	72,443
Community College	<u>27,984</u>	<u>28,697</u>	<u>32,818</u>	<u>41,835</u>	<u>36,271</u>
Total	210,579	208,757	213,453	224,447	220,313

Source: County Superintendent of Schools.

Within the County are eight universities and colleges. In addition, there are five two-year community colleges. The world-renowned Loma Linda University is a coeducational complex of schools offering undergraduate and graduate degrees including doctoral programs in varied academic and professional fields. The University of Redlands, a private liberal arts college granting baccalaureate and master's degrees, is known for its outstanding programs in the fields of business administration, education, music, chemistry, engineering, mathematics and physics. California State College at San Bernardino, three miles east of San Bernardino, offers the Bachelor's degree in 28 majors, and the Master's degree in various education fields.

79 00578

U.C. BERKELEY LIBRARIES



C123313600

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

DEC 12 2024

UNIVERSITY OF CALIFORNIA

